

STATUS OF THE TRANSPORTATION AND COMMUNICATIONS SECTOR

Projects in this sector aim to improve transportation systems in Iraq, such as ports, railways, roads, bridges, and airports. This sector also includes U.S.-funded telecommunications projects.¹⁸⁴

As of March 27, 2007, 70% (or \$560 million) of the approximately \$800 million in IRRF funds allocated to this sector had been expended. Almost all of the sector's IRRF funding had been obligated. Figure 2-33 shows the status of sector funds.

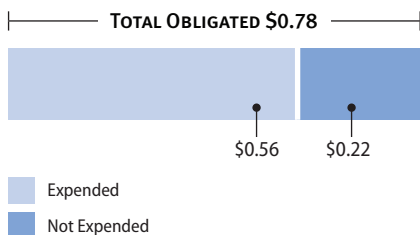
IRRF 2-funded construction in this sector is expected to be completed by December 2008.¹⁸⁵ Sector projects are currently more than 88% complete. For the status of projects in this sector, see Figure 2-34.

Shipping Projects

The number of vessels berthed at the **Umm Qasr Port** averaged 18.5 per week this quarter; however, IRMO reported only two data points throughout the quarter.¹⁸⁶

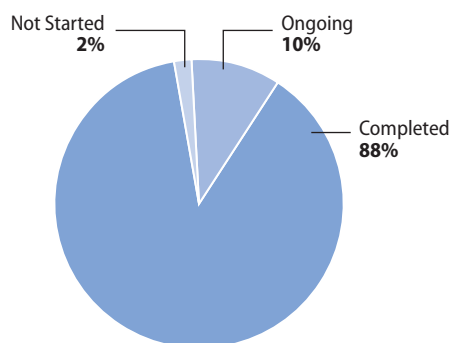
GRD has completed six of seven projects, and the overall program is nearly 99% complete.¹⁸⁷ As of March 30, 2007, 85% and 90% of the refurbishment work on the Nelcon cranes and spreader had been delivered, respectively. In addition, in February 2007, repair of power lines to the Nelcon cranes at Umm Qasr was completed. Although last quarter SIGIR reported that the shipping program is expected to be finished by February 2007, the last port project is now expected to complete in May 2007 because of delays getting design approval by the Port Authority for a berth construction project. This project is currently 89% complete.¹⁸⁸

Figure 2-33
STATUS OF IRRF 2 FUNDS - TRANSPORTATION AND COMMUNICATIONS
\$ Billions
Source: DoS, *Iraq Weekly Status* (3/27/2007)



Shipping is an important part of the revival of Iraq's economy.

Figure 2-34

STATUS OF IRRF 2 PROJECTS - TRANSPORTATION AND COMMUNICATIONSSources: IRMS, *IRMO Rollup* (3/30/2007); USAID, *Activities Report* (4/10/2007)

| Project Type | Not Started | Ongoing | Completed | Total |
|---|-------------|-----------|------------|------------|
| Roads and Bridges | 9 | 39 | 237 | 285 |
| Railroad Rehabilitation & Restoration | | 2 | 96 | 98 |
| Consolidated Fiber Network | | | 95 | 95 |
| Telecommunications Business Modernization | 1 | 1 | 32 | 34 |
| Civil Aviation | | 5 | 14 | 19 |
| Umm Qasr Port Rehabilitation | | 1 | 9 | 10 |
| Expressways | | 4 | | 4 |
| Telecommunications/Regulatory Reform | | | 1 | 1 |
| Telecommunications Systems | | 1 | | 1 |
| Total | 10 | 53 | 484 | 547 |

Railway Projects

This quarter, an average of 32 trains ran per week—down from last quarter’s average of 45 per week.¹⁸⁹ The rate remains far below the planned number of trains for previous quarters. This shortfall is caused primarily by poor security conditions, which continue to hinder the flow of rail traffic in Iraq. For instance, in mid-February, IED detonations delayed a project to repair the Latifiya Bridge.¹⁹⁰ In March, an attack blocked the track structure south of Mansour Station and prevented movement to the Latifiya Bridge.¹⁹¹

U.S. projects have completed repairs at 92 of 98 railway stations.¹⁹² In other construction activities, rehabilitation of five railway stations in Thi Qar and bridge rehabilitation in Baghdad were completed,¹⁹³ and the work at the **Baghdad Central Railway Station** was completed on March 9, 2007.¹⁹⁴ In addition, the \$3 million contract for the rehabilitation of the Falluja Station and housing was re-awarded.¹⁹⁵ For the railway station projects by location, see Figure 2-35.

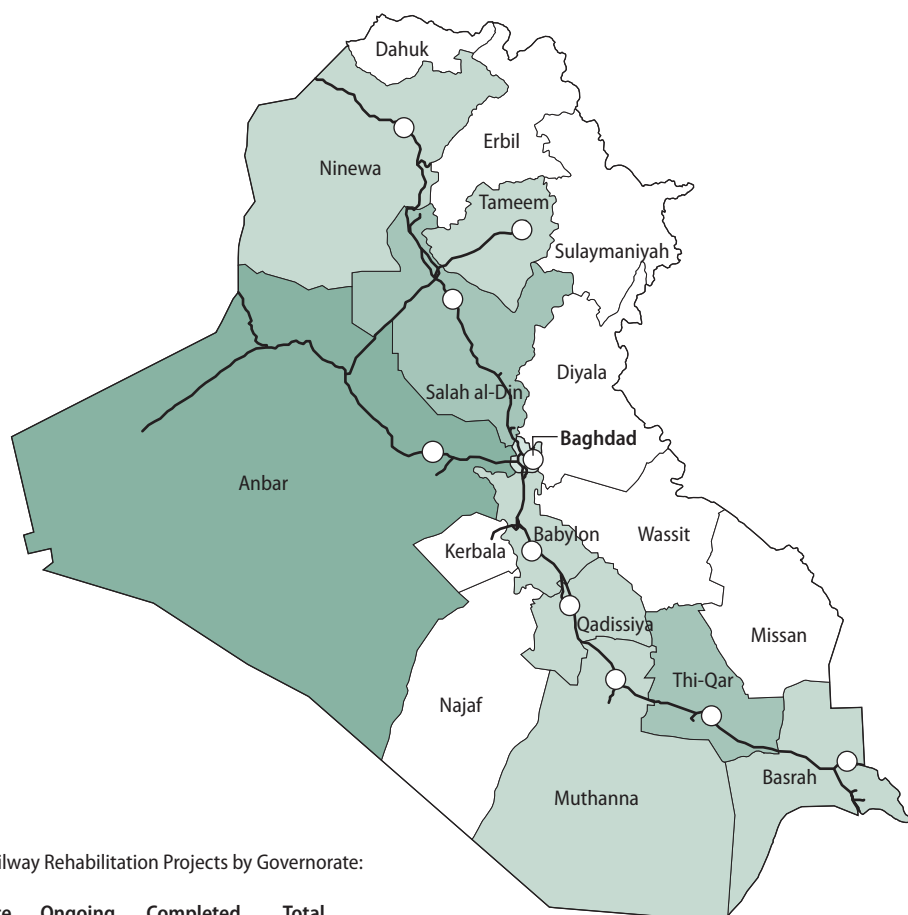
Most of the \$197 funding allocated to this subsector is for materials and equipment.

Phase I of the **Communications-Based Train Control System (CBTC)** will provide the IRR with a train control system for tracking movement of all locomotives on the rail system. The project is currently 88% complete; it is expected to be finished by September 2007.¹⁹⁶ Phase II, which is 58% complete, will provide a \$41.6 million Digital Microwave Radio Communications Network (also referred to as the **CBTC-backbone**).¹⁹⁷

Aviation Projects

During this quarter, the Baghdad International Airport averaged 403 flights per week¹⁹⁸—a decrease from last quarter’s 423—including both military and civil operations. Civil aviation has been allocated \$80 million in IRRF funding. Most of these reallocated funds are slated to support upgrades to Basrah International Airport.¹⁹⁹ Projects at other airports have been completed.

Figure 2-35
RAILROAD STATION REHABILITATION PROJECTS BY GOVERNORATE
 Source: IRMS, IRMO Rollup (3/30/2007)



Status of Railway Rehabilitation Projects by Governorate:

| Governorate | Ongoing | Completed | Total |
|--------------|----------|-----------|-----------|
| Ninewa | | 9 | 9 |
| Tameem | | 5 | 5 |
| Salah al-Din | | 18 | 18 |
| Anbar | | 25 | 25 |
| Baghdad | 1 | 3 | 4 |
| Babylon | | 9 | 9 |
| Qadissiya | | 4 | 4 |
| Muthanna | | 8 | 8 |
| Thi-Qar | | 10 | 10 |
| Basrah | 1 | 5 | 6 |
| Total | 2 | 96 | 98 |

Total Number of Projects Nationwide: 98

Total Number of Projects by Governorate:

- >20
- 10-20
- <10
- No Data
- Railroad Line
- Major Hub Location

Since the DoS *Section 2207 Report* in October 2007, the \$400,000 navigation aid commission flight check was completed at the **Baghdad International Airport**. A number of training programs for **Iraqi Civil Aviation Authority (ICAA)** employees also were conducted this quarter, including O&M on the radar system, air traffic control system, and flight safety. Also, two of three phases of the air traffic control (ATC) training were completed, comprising courses on systems throughout Iraq, feature systems familiarization, terminal radar approach control, quality assurance, and English language training.²⁰⁰

In addition, DoS reported that ATC training in area control center (ACC) procedures, as well as radar simulation training, begins late Spring of 2007. ACC, Terminal Radar Approach Control, and tower ATC training

will continue under contract for the next three years.²⁰¹

Four projects, adding up to approximately \$16.8 million, continued construction this quarter at the **Basrah International Airport**, including two communications projects, a new radar system, and renovations to the airport's water system.²⁰² These projects are scheduled to be delivered by September 2007, except for the new radar system, which is expected to complete in February 2008 because of longer-than-anticipated manufacturing time for the radar.²⁰³ The terminal and tower renovation project is 95% complete, and final completion is scheduled for May 2007.²⁰⁴

Table 2-13 summarizes the work done at the Baghdad, Basrah, and Mosul airports. U.S.-led reconstruction efforts in this subsector are near completion.

STATUS OF U.S.-LED PROJECTS AT IRAQI AIRPORTS, AS OF 3/31/2007

| AIRPORT | CONTRACT SIZE | # PROJECTS | ESTIMATED COMPLETION DATE | STATUS |
|---------|---------------|------------|---------------------------|---------------|
| Baghdad | \$17 million | 7 | October 2006 | 100% Complete |
| Basrah | \$25 million | 10 | December 2007 | 55% Complete |
| Mosul | \$10 million | 1 | September 2006 | 100% Complete |

Source: GRD-PCO, response to SIGIR, April 7, 2007.

TABLE 2-13

Roads and Bridges

U.S.-funded projects in this subsector will not be completed until December 2008. The projects have focused on small village roads, several key highways, and bridges.²⁰⁵

The highway between Baghdad and Kirkuk will be upgraded to four lanes by December 2008. Also, Diwaniya and Al-Samawa will be connected by an upgraded four-lane highway; this \$15.5 million project is scheduled to be completed in February 2008.²⁰⁶ The project is now 35% complete.²⁰⁷

The **Village Roads Program**, budgeted at \$38.5 million, will improve 424 miles of roads throughout 15 governorates in Iraq.²⁰⁸ This quarter, nearly 74 miles of village roads are expected to be completed.²⁰⁹ Originally scheduled to be completed by August 2006,²¹⁰ the project is now estimated to be finished by July 2007.²¹¹ This quarter, GRD reported that the Roads Program was delayed by security problems and a shortage of fuel and bitumen; bitumen and asphalt allocations by the Ministry of Oil are not sufficient to support contractors' needs.²¹²

There are currently 56 PRDC projects, valued at \$56.5 million, and 21 have been completed to date.²¹³ GRD-PCO reports that 15 PRDC projects—seven roads, two bridges, and six streets—were completed this past quarter.²¹⁴

Telecommunications

Mobile phone subscribers continue to increase this quarter, but at a much slower rate than in previous quarters. The number of landline

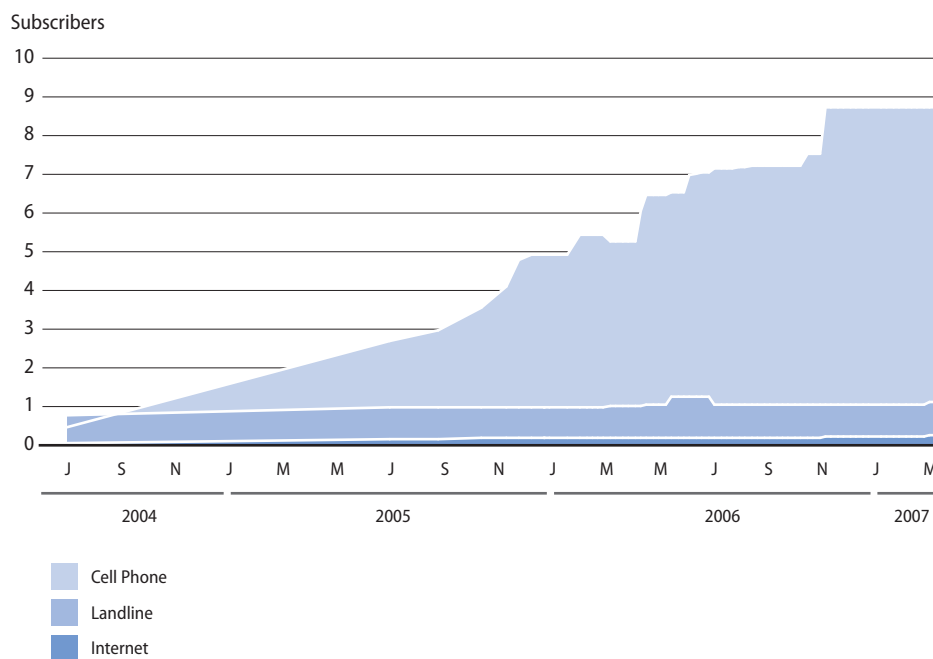
telephone subscribers also increased. Internet services are provided by the State Company for Internet Services (SCIS), licensed private operators, and private non-licensed entrepreneurs. Internet access in Iraq is via dial-up, WiFi, and, increasingly, WiMax networks.²¹⁵ Currently, there are 261,000 estimated Internet subscribers in Iraq.²¹⁶

Figure 2-36 shows the steady rise in cell phone subscribers, and Table 2-14 compares the current number of telephone subscribers with pre-war levels. Demands remain high, but further investment by the cell phone companies remains contingent on resolution of licensing issues.²¹⁷

U.S. initiatives to modernize the **Iraq Telecommunications and Postal Commission** include 34 projects to construct and renovate post offices. At the end of this quarter, the projects were more than 91% complete, up from 80% last quarter. The last post office project is expected to be completed in July 2007.²¹⁸ At the end of March 2007, construction of Diwaniya Postal Station is 60%; security issues have delayed rehabilitation of another postal station.²¹⁹ When finished, the projects are expected to bring mail service to approximately one million Iraqis.²²⁰

The Iraqi Telecommunications System was allocated \$48 million; it is being used to construct a primary switching facility at **Al-Mamoom** and a **wireless broadband network (WBBN)**. As of March 30, 2007, the \$26 million switch facility was 22% complete and is estimated to be finished by September

Figure 2-36
TELECOMMUNICATIONS SUBSCRIBERS
 Subscribers in Millions
 Source: IRMO, *Weekly Status Reports* (12/28/2005 - 3/13/2007)



CURRENT TELEPHONE SUBSCRIBERS VS. PRE-WAR LEVELS

| OUTPUT METRICS | PRE-WAR LEVEL (2003) | LAST QUARTER STATUS, AS OF 1/2/2007 | CURRENT STATUS, AS OF 3/13/2007 |
|--------------------------|-------------------------|--|------------------------------------|
| Landline Subscribers | 833,000 | 1,046,027 | 1,111,000 |
| Mobile Phone Subscribers | 80,000 | 8,712,027 | 8,720,038 |

Sources: Pre-war Levels: Economist Intelligence Unit, Country Profile 2005-Iraq, 2005, p. 34; International Telecommunication Union, World Telecommunication/ICT Indicators, no date, p. A-30. Available online at http://www.itu.int/ITU-D/ict/statistics/at_glance/cellular03.pdf; last quarter status: IRMO, *Weekly Status Report*, January 2, 2007, p. 23; current status: IRMO, *Weekly Status Report*, March 13, 2007, p. 22.

TABLE 2-14

2007, and the O&M for the WBBN project was completed on March 20, 2007.²²¹

To modernize the Iraq telecommunications operations system and support a regulatory agency, the Communications and Media Com-

mission (CMC) was allocated \$20 million.²²²

This quarter, technical training for ten CMC IT staff was completed, and phase one of the Strategic Development Training for CMC staff began in Jordan.²²³